



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

NOV 4 2004

N. Bradley Litchfield, Esq.
Oldaker, Biden & Belair
818 Connecticut Avenue, NW
Suite 100
Washington, DC 20038

RE: MUR 5349
Minnesota Democratic-Farmer-Labor House
Caucus and Joe Atkins, as Treasurer

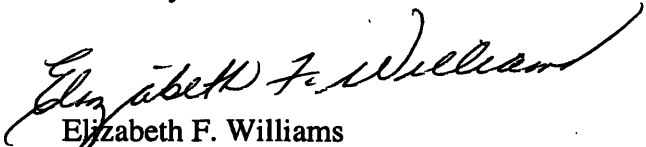
Dear Mr. Litchfield:

On October 28, 2004, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of Minnesota Democratic-Farmer-Labor House Caucus and Joe Atkins, as Treasurer, in settlement of a violation of 2 U.S.C. §§ 434(a), 441a(f), 441b and 11 C.F.R. § 102.5(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,


Elizabeth F. Williams
Paralegal Specialist

Enclosure
Conciliation Agreement

cc: Alan W. Weinblatt, Esq.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

**Minnesota Democratic-Farmer-Labor
House Caucus
Joe Atkins, as Treasurer**

MUR 5349

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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CONCILIATION AGREEMENT

This matter was initiated by a Complaint filed on February 21, 2003 with the Federal Election Commission (the "Commission") by the Republican Party of Minnesota (the "Republican Party") and the Commission, pursuant to information ascertained in the normal course of carrying out the Commission's supervisory responsibilities. *See* 2 U.S.C. §§ 437g(a)(1) and (2).

The Commission found reason to believe the Minnesota Democratic-Farmer-Labor House Caucus and Paul Rogosheske as treasurer (the "Caucus" or "Respondents") violated 2 U.S.C. §§ 434(a), 441a(f), 441b and 11 C.F.R. § 102.5(a). As of September 23, 2004, the treasurer of the Caucus is Joe Atkins.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. The Minnesota Democratic-Farmer-Labor Party (the "Party") is registered with the Commission as a qualified State Committee of the Democratic Party.
2. The Democratic-Farmer-Labor House Caucus registered with the Commission on August 24, 2000, and its reported contribution receipts for the year 2000 were \$1000. Its reported contributions and other receipts for 2001 were \$53,190 and were \$374,633 for 2002. The Caucus is an affiliated committee of the Party and is comprised of all members of the Party that are elected to the Minnesota state legislature's House of Representatives.
3. Joe Atkins is the Treasurer of the Caucus as of September 23, 2004. Paul Rogosheske was the Treasurer of the Caucus during the time periods referenced in this agreement.

Late Filed Disclosure Reports

4. 2 U.S.C. § 434(a)(4)(A) requires: in calendar years during which there is a regularly scheduled election, the treasurers of all political committees that are not the authorized committees of a particular candidate must file timely quarterly disclosure reports, pre-election and post-general election and year-end disclosure reports for any election in which the committee makes an expenditure on behalf of a candidate. *See* 2 U.S.C. § 434(a)(4)(A).
5. The Caucus is a political committee within the meaning of the Act and was required to submit quarterly, pre- and post-general election and year-end reports in the 2002 calendar year. The Caucus did not timely file any of its disclosure reports for

2002. After the complaint in this matter was filed, the Caucus filed the missing reports on March 3 and May 6, 2003.

6. The Commission resolved the late filing of the Caucus's post-general election report through the Administrative Fines program. In that regard, the Commission found reason to believe the Caucus violated 2 U.S.C. § 434(a) and issued a civil money penalty of \$4500, which the Caucus paid in June 2003.

Excessive Contributions

7. The Caucus and the Party are affiliated committees and as such, are subject to contribution limits set forth in 2 U.S.C. §§ 441a(a)(1) and (2). Specifically, the committees are limited to receiving an aggregate total of \$5000 from a single individual or multicandidate committee during a calendar year. 2 U.S.C. §§ 441a(a)(1)(C), 441a(a)(2)(C) and 441a(f).

8. A review of the Receipts and Disbursements reports of the Caucus and the Party for the 2002 calendar shows that the Caucus received a sum total of \$5000 in excessive contributions from one contributor (out of 206 donors whose contributions to the Caucus exceeded \$200) during the 2002 calendar year, in violation of 2 U.S.C. § 441a(f). This solitary, excessive contribution was refunded to the contributor by the Caucus on September 23, 2004.

Improper Transfers of Non-Federal Funds

9. 11 C.F.R. § 102.5(a) provides that party committees that finance political activity in connection with both federal and non-federal elections are required to establish separate accounts for federal and non-federal activities and prohibits disbursements, contributions, expenditures and transfers in connection with a federal

election to be made from any account other than the federal account. 11 C.F.R. § 102.5(a)(1)(i). Additionally, 2 U.S.C. § 441b prohibits corporations and labor organizations from making contributions in connection with federal elections and prohibits political committees from knowingly accepting such contributions. 2 U.S.C. § 441b(a).

10. During January to October 2002, the Caucus made a series of impermissible transfers totaling \$69,200 from its non-federal account to its federal account. The Caucus refunded the \$69,200 in transfers to its non-federal account through a series of transactions between May and August 2003, and amended its disclosure reports to reflect the repayments.

V. Respondents violated 2 U.S.C. §§ 434(a), 441a(f) and 11 C.F.R. § 102.5(a). Respondents do not contest the Commission's allegations that the Caucus may have violated 2 U.S.C. § 441b by reason of its transfers from its non-federal account to its federal account in calendar year 2002, which transfers were in violation of 11 C.F.R. § 102.5(a).

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of forty-five thousand dollars (\$45,000), pursuant to 2 U.S.C. § 437g(a)(5)(B).

2. Respondents will cease and desist from violating 2 U.S.C. §§ 434(a), 441a(f), 441b(a), and 11 C.F.R. § 102.5(a).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any

requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective, as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 45 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

11/3/04
Date

BY: Rhonda J. Wosdinger by LLC
Rhonda J. Wosdinger
Associate General Counsel

FOR THE RESPONDENTS:

Oct. 13, 2004
Date

Joe Atkins by: NRZ
Joe Atkins, Treasurer
Minnesota DFL House Caucus

BY COUNSEL:

N. Bradley Litchfield
N. Bradley Litchfield
Oldaker, Biden & Belair, LLP